

House Amendment 1261

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1 1 Amend House File 375 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 <Section 1. Section 535B.1, Code 2009, is amended
1 5 by adding the following new subsection:
1 6 NEW SUBSECTION. 6A. "Nationwide mortgage
1 7 licensing system and registry" means a mortgage
1 8 licensing system developed and maintained by the
1 9 conference of state bank supervisors and the American
1 10 association of residential mortgage regulators for the
1 11 licensing and registration of mortgage loan
1 12 originators.
1 13 Sec. 2. NEW SECTION. 535B.18 PROHIBITED ACTS AND
1 14 PRACTICES.
1 15 It is a violation of this chapter for a licensee or
1 16 individual registrant to engage in any of the
1 17 following activities:
1 18 1. Directly or indirectly employ any scheme,
1 19 device, or artifice to defraud or mislead borrowers or
1 20 lenders or to defraud any person.
1 21 2. Engage in any unfair or deceptive practice
1 22 toward any person.
1 23 3. Obtain property by fraud or misrepresentation.
1 24 4. Solicit or enter into a contract with a
1 25 borrower that provides in substance that the licensee
1 26 or individual registrant may earn a fee or commission
1 27 through "best efforts" to obtain a loan even though no
1 28 loan is actually obtained for the borrower.
1 29 5. Solicit, advertise, or enter into a contract
1 30 for specific interest rates, points, or other
1 31 financing terms unless the terms are actually
1 32 available at the time of soliciting, advertising, or
1 33 contracting.
1 34 6. Conduct any business covered by this chapter
1 35 without holding a valid license as required under this
1 36 chapter, or assist or aid and abet any person in the
1 37 conduct of business under this chapter without a valid
1 38 license or registration as required under this
1 39 chapter.
1 40 7. Fail to make disclosures as required by this
1 41 chapter or any other applicable state or federal law
1 42 including regulations thereunder.
1 43 8. Fail to comply with this chapter or rules or
1 44 regulations promulgated under this chapter, or fail to
1 45 comply with any other state or federal law, including
1 46 the rules and regulations thereunder, applicable to
1 47 any business authorized or conducted under this
1 48 chapter.
1 49 9. Make, in any manner, any false or deceptive
1 50 statement or representation.
2 1 10. Negligently make any false statement or
2 2 knowingly and willfully make any omission of material
2 3 fact in connection with any information or reports
2 4 filed with a governmental agency or the nationwide
2 5 mortgage licensing system and registry or in
2 6 connection with any investigation conducted by the
2 7 superintendent of banking or another governmental
2 8 agency.
2 9 11. Make any payment, threat, or promise, directly
2 10 or indirectly, to any person for the purposes of
2 11 influencing the independent judgment of the person in
2 12 connection with a residential mortgage loan, or make
2 13 any payment, threat, or promise, directly or
2 14 indirectly, to any appraiser of a property, for the
2 15 purposes of influencing the independent judgment of
2 16 the appraiser with respect to the value of the
2 17 property.
2 18 12. Collect, charge, attempt to collect or charge,
2 19 or use or propose any agreement purporting to collect
2 20 or charge any fee prohibited by this chapter.
2 21 13. Cause or require a borrower to obtain property
2 22 insurance coverage in an amount that exceeds the
2 23 replacement cost of the improvements as established by
2 24 the property insurer.

2 25 14. Fail to truthfully account for moneys
2 26 belonging to a party to a residential mortgage loan
2 27 transaction.
2 28 Sec. 3. NEW SECTION. 535B.19 REPORT TO
2 29 NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY ==
2 30 CONFIDENTIALITY.
2 31 1. The superintendent of banking shall regularly
2 32 report violations of this chapter, as well as
2 33 enforcement actions and other relevant information, to
2 34 the nationwide mortgage licensing system and registry
2 35 subject to the confidentiality provisions of
2 36 subsection 2.
2 37 2. Except as otherwise provided in section 1512 of
2 38 the federal Housing and Economic Recovery Act of 2008,
2 39 Pub. L. No. 110-289(1512), the requirements under any
2 40 federal law or chapter 22 or 692 regarding the privacy
2 41 or confidentiality of any information or material
2 42 provided to the nationwide mortgage licensing system
2 43 and registry, and any privilege arising under federal
2 44 or state law, including the rules of any federal or
2 45 state court, with respect to such information or
2 46 material, shall continue to apply to such information
2 47 or material after the information or material has been
2 48 disclosed to the nationwide mortgage licensing system
2 49 and registry. Such information and material may be
2 50 shared with any state or federal regulatory official
3 1 with mortgage industry oversight authority without the
3 2 loss of privilege or the loss of confidentiality
3 3 protections provided by federal law or chapter 22 or
3 4 692.>
3 5 #2. Title page, by striking lines 1 and 2 and
3 6 inserting the following: <An Act specifying
3 7 prohibited acts and practices applicable to licensed
3 8 mortgage brokers and individual registrants, and
3 9 making penalties applicable.>
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3 13 SANDS of Louisa
3 14 HF 375.501 83
3 15 rn/nh/22735